

**REMARKS**

Claims 1-15 and 21-24 are pending. Claims 9 and 10 have been amended. Replacement sheets of drawings are being submitted for Figs. 16-18. No new matter has been added.

The drawings were objected to because Figs. 16-18 should have been labeled as prior art. These figures have been amended to include the label "Prior Art". Applicant requests that this objection be withdrawn.

Claims 1-3, 6-8, 11-13, and 21-24 were rejected under 35 USC 102(b) as being anticipated by Braudaway, U.S. Patent 5,530,759. This rejection is respectfully traversed.

Braudaway discloses embedding a watermark into an image. Braudaway teaches that watermark pixels with a value of 128 are transparent, which means that the corresponding original image pixel is not to be altered. Watermark pixels with values from 0 to 127 indicate that the corresponding original image pixel is to be darkened, depending on the value of the watermark pixel. Thus, the original image has its appearance altered to embed a watermark (col. 5, lines 6-15).

The Examiner asserts that Braudaway teaches that the processor places bits for describing information different from information of image data obtained by image processing on original image data only in specific bit positions of multiple bits of pixel data only at predetermined positions of the processed image. Applicant respectfully disagrees.

Claim 1 recites "the processor places bits for describing information different from information of image data obtained by image processing on an original image data." Thus, the bits which are placed within the image data correspond to information *obtained by image processing*.

Braudaway teaches replacing pixels with information which will form a watermark. A pixel is replaced with a lighter or darker pixel, depending on the watermark value. Braudaway does not perform the claimed image processing. The only image alteration that takes place in Braudaway is when the watermark pixels replace the original image pixels so that a watermark will be visible in the image. Even though this is a process of the image data, the bits which are placed are not a result

of the process, but are determined before the image processing even begins, since they are what is used to process the image. The bits which are placed in Braudaway correspond directly to the watermark value, not to information obtained by image processing. Thus, the features of claim 1 are not taught or suggested by Braudaway.

Claims 6, 11 and 21 recite substantially the same features as recited in claim 1, and are therefore allowable for the same reasons. The remaining claims are allowable at least due to their respective dependencies. Applicant requests that this rejection be withdrawn.

Claims 4, 5, 9, 10, 14 and 15 were rejected under 35 USC 103(a) as being unpatentable over Braudaway in view of Rhoads, U.S. Patent 6,285,776. This rejection is respectfully traversed.

Claims 4, 5, 9, 10, 14 and 15 are allowable at least due to their respective dependencies in light of Braudaway's failure to teach or suggest that which the Examiner asserts. Furthermore, Rhoads fails to teach or suggest the features of the independent claims, and is not relied up on as such.

Further, Braudaway is directed to embedding a watermark in an image to prevent misuse or copying of the image. If Braudaway were modified to include a time when the image was modified, this would simply reveal the time when the watermark was embedded in the image. This time would not address any privacy concerns. One of ordinary skill in the art would not have been motivated to modify Braudaway to include the time when the watermark was inserted into the image because there is simply no good reason to do so, this would not protect the image from being copied, which is the object of Braudaway. Thus, Applicant requests that this rejection be withdrawn.

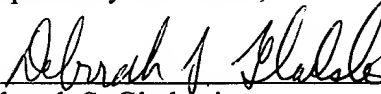
Furthermore, Rhoads is not a valid prior art reference under 35 USC 103(a) because it was filed on April 15, 1999, which is after the April 13, 1998 filing date of Japanese Application No. 10-115868, from which priority has been claimed. A verified translation of the priority document is attached.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 325772009100.

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Respectfully submitted,

By   
Deborah S. Gladstein

Registration No.: 43,636  
MORRISON & FOERSTER LLP  
1650 Tysons Blvd, Suite 300  
McLean, Virginia 22102  
(703) 760-7753

Attachments: 2 replacement sheets and Verified Translation of priority document